

AMENDED IN ASSEMBLY JULY 2, 2015

AMENDED IN SENATE MAY 19, 2015

AMENDED IN SENATE APRIL 14, 2015

**SENATE BILL**

**No. 633**

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**Introduced by Senator Hill**

*(Principal coauthor: Assembly Member Jones)*

**(Coauthor: Senator De León)**

February 27, 2015

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An act to amend Section 17533.7 of the Business and Professions Code, relating to false advertising.

LEGISLATIVE COUNSEL'S DIGEST

SB 633, as amended, Hill. Consumer protection: "Made in U.S.A." label.

Existing law prohibits the sale or offering of sale in the state of any merchandise on which merchandise or on its container appears the words, "Made in U.S.A.," "Made in America," "U.S.A.," or similar words when the merchandise or any article, unit, or part thereof, has been entirely or substantially made, manufactured, or produced outside of the United States.

This bill would exempt from the prohibition merchandise made, manufactured, or produced in the United States if either the merchandise ~~has an article, unit, or part that does~~ *one or more articles, units, or parts from outside the United States if they do* not constitute more than 5% of the final product or the manufacturer makes a specified showing *regarding the articles, units, or parts from outside the United States* and ~~the article, unit, or part does~~ *they do* not constitute more than 10%

of the final product. The bill would also exempt merchandise sold for resale to consumers outside of the state.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17533.7 of the Business and Professions  
2 Code is amended to read:

3 17533.7. (a) It is unlawful for any person, firm, ~~corporation~~  
4 ~~corporation~~, or association to sell or offer for sale in this state any  
5 merchandise on which merchandise or on its container there  
6 appears the words “Made in U.S.A.,” “Made in America,”  
7 “U.S.A.,” or similar words if the merchandise or any article, unit,  
8 or part thereof, has been entirely or substantially made,  
9 manufactured, or produced outside of the United States.

10 (b) This section shall not apply to merchandise made,  
11 manufactured, or produced in the United States that has ~~an article,~~  
12 ~~unit, or part~~ *one or more articles, units, or parts* from outside of  
13 the United States, if ~~the article, unit, or part~~ *all of the articles,*  
14 *units, or parts* of the merchandise obtained from outside the United  
15 States ~~constitutes~~ *constitute* not more than 5 percent of the final  
16 manufactured product.

17 (c) (1) This section shall not apply to merchandise made,  
18 manufactured, or produced in the United States that has ~~an article,~~  
19 ~~unit, or part~~ *one or more articles, units, or parts* from outside of  
20 the United States, if both of the following apply:

21 (A) The manufacturer of the merchandise shows that it can  
22 neither produce the article, unit, or part within the United States  
23 nor obtain the article, unit, or part of the merchandise from a  
24 domestic source.

25 (B) ~~The article, unit, or part~~ *All of the articles, units, or parts*  
26 of the merchandise obtained from outside the United States  
27 ~~constitutes~~ *constitute* not more than 10 percent of the final  
28 manufactured product.

29 (2) The determination that the article, unit, or part of the  
30 merchandise cannot be made, manufactured, produced, or obtained  
31 within the United States from a domestic source shall not be based  
32 on the cost of the article, unit, or part.

- 1     (d) This section shall not apply to merchandise sold for resale  
2     to consumers outside of California.  
3     (e) For purposes of this section, goods sold or offered for sale  
4     outside of California shall not be deemed mislabeled if the label  
5     conforms to the law of the forum state or country within which  
6     they are sold or offered for sale.

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